

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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by
State Corporation Commission
of Kansas

In the Matter of the Application of)
Mid-Kansas Electric Company, LLC for)
Approval to Make Certain Changes in its)
Charges for Electric Services in the)
Geographic Service Territory Served by)
Lane Scott Electric Cooperative, Inc.)

Docket No. 12-MKEE-410-RTS

DIRECT TESTIMONY OF
STACEY HARDEN
ON BEHALF OF
CITIZENS' UTILITY RATEPAYER BOARD

NOVEMBER 30, 2012

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Stacey Harden. My business address is 1500 SW Arrowhead Road, Topeka,
4 Kansas, 66604.

5

6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by the Citizens' Utility Ratepayer Board ("CURB") as a Regulatory
8 Analyst.

9

10 **Q. Please describe your educational background.**

11 A. I received a Bachelor of Business Administration degree from Baker University in
12 2001. I received a Master of Business Administration degree from Baker University
13 in 2004.

14

15 **Q. Please summarize your professional experience.**

16 A. I joined the Citizens' Utility Ratepayer Board as a Regulatory Analyst in February
17 2008. Prior to joining CURB, I was the manager of a rural water district in Shawnee
18 County, Kansas for five years. I am currently an adjunct faculty member at Friends
19 University, where I am an undergraduate instructor in business and accounting courses
20 such as Data Development and Analysis, Financial Decision Making, Fundamental
21 Financial Accounting Concepts, Financial Reporting of Assets, Debt & Equity, and
22 Managerial Statistics.

23

1 **Q. Have you previously testified before the Commission?**

2 A. Yes. I previously offered testimony in KCC Docket Nos. 08-WSEE-1041-RTS, 10-
3 KGSG-421-TAR, 10-EPDE-497-TAR, 10-BHCG-639-TAR, 10-SUBW-602-TAR, 10-
4 WSEE-775-TAR, 10-KCPE-795-TAR, 10-KCPE-415-RTS, 11-SUBW-448-RTS,
5 12-SUBW-359-RTS, and 12-MKEE-491-RTS.

6
7 **II. PURPOSE OF TESTIMONY**

8 **Q. What is the purpose of your testimony?**

9 A. On February 1, 2012, Mid-Kansas Electric Company (“MKEC” or “Company”) filed an
10 Application with the State of Kansas Corporation Commission (“KCC” or
11 “Commission”) seeking a rate increase for the geographic service territory served by
12 Lane Scott Cooperative Electric Association, Inc. (“Lane Scott”). The Company
13 requested a rate increase of \$510,915, which would increase rates by 13.34% annually.

14 The purpose of my testimony is to support various rate base and accounting
15 adjustments as well as CURB’s overall revenue requirement recommendation. My
16 testimony will incorporate the recommendations made by CURB witnesses Mr. Benjamin
17 Cotton and Ms. Andrea Crane in their direct testimonies. My testimony will also address
18 the Company’s residential rate design.

19
20 **III. SUMMARY OF CONCLUSIONS**

21 **Q. What is your recommendation to the Commission regarding the Company’s
22 application to raise rates?**

23 A. Based upon my analysis of the filing and other documentation in this case, I recommend

1 the Commission:

- 2 • Approve the adjustments set forth in my testimony;
- 3 • Approve a pro forma capital structure for the Lane Scott Division consisting of
4 50% equity and 50% long-term debt as set forth in Mr. Benjamin Cotton's direct
5 testimony;
- 6 • Approve an overall rate of return of 6.55% as set forth in Mr. Benjamin Cotton's
7 direct testimony;
- 8 • Limit the Company's plant-in-service claim to the actual amount invested by the
9 Lane Scott Division, as set forth in Ms. Andrea Crane's testimony;
- 10 • Approve the depreciation expense adjustment of \$78,439, as set forth in Ms.
11 Andrea Crane's testimony;
- 12 • Approve a rate base adjustment to plant materials and supplies of \$400,596, as
13 detailed in Schedule SMH-3;
- 14 • Approve a rate base adjustment to cash working capital of \$72,959, as detailed in
15 Schedule SMH-4;
- 16 • Approve operating adjustments of \$71,643, as detailed in schedule SMH-11;
- 17 • Approve a rate increase of no more than \$48,888 for Lane Scott, as detailed in
18 Schedule SMH-1; and
- 19 • Deny the Company's proposed residential heat pump rate design and eliminate
20 the Company's declining-block schedule during winter months.

1 **IV. RATE BASE ISSUES**

2 **A. OVERVIEW**

3 **Q. Please provide a brief overview of the Lane Scott Division and the Lane Scott native**
4 **territories.**

5 A. The Lane Scott Electric Cooperative provides electrical power in the Western Kansas
6 counties of Lane, Scott, Gove, Ness, Finney, Logan, Hodgeman, and Rush. The Lane
7 Scott Electric Cooperative consists of two separate utilities: the Lane Scott Division,
8 which is the regulated utility seeking a rate increase in this proceeding, and the Lane
9 Scott native territory which is a deregulated cooperative. Throughout my testimony, I will
10 refer to the regulated Lane Scott Division as simply "Lane Scott". References to the
11 native, deregulated Lane Scott territory will be referred to as the native division.

12

13 **Q. What test year did Lane Scott utilize to develop its rate base claim in this**
14 **proceeding?**

15 A. Lane Scott selected a twelve-month period ending December 31, 2010 as its test year in
16 this proceeding.

17

18 **Q. Do you have adjustments to make to Lane Scott's proposed rate base?**

19 A. Yes. I have two adjustments to Lane Scott's proposed rate base. The first is an adjustment
20 to materials and supplies and the second is an adjustment to Lane Scott's cash working
21 capital.

22

23

1 **B. PLANT MATERIALS & SUPPLIES**

2 **Q. Please describe your adjustment to Lane Scott's materials and supplies included in**
3 **its rate base.**

4 A. In its filing, Lane Scott included materials and supplies of \$471,289 as part of its rate
5 base. In its response to KCC Staff Data Request No. 71, the Company indicated that the
6 amount of plant materials and supplies allocated to the Lane Scott Division should be
7 based on 15% of the system total, rather than 75%, which was keyed incorrectly in the
8 filing.

9
10 **Q. Did Lane Scott originally include only 75% of the system-wide plant materials and**
11 **supplies in its rate base?**

12 A. No. It appears the \$471,289 included in its filing is representative of the plant materials
13 and supplies for both the Lane Scott Division and the Lane Scott native territory. Lane
14 Scott provided a copy of its Rural Utility Service year-end operating and financial reports
15 in its response to KCC Staff Data Request No. 142. The financial and operating report for
16 the year ending December, 2010, shows a plant materials and supplies balance of
17 \$471,447.

18
19 **Q. What is your adjustment to Lane Scott's plant materials and supplies?**

20 A. As detailed in Schedule SMH-3, I reduced Lane Scott's plant materials and supplies by
21 \$400,596. This adjustment properly accounts for the allocation of Lane Scott's plant
22 material and supplies expenses.

23

1 **C. CASH WORKING CAPITAL**

2 **Q. Please describe your adjustment to Lane Scott's cash working capital.**

3 A. In its filing, Lane Scott included a cash working capital requirement associated with fuel
4 and purchased power costs. However, as a result of KCC Docket No. 07-MKEE-974-
5 TAR ("974 Docket"), Lane Scott is permitted to recover costs associated with purchased
6 power through an Energy Cost Adjustment ("ECA"). I am recommending that the
7 Commission eliminate the purchased power costs from the cash working capital
8 calculation.

9
10 **Q. Why is it inappropriate to calculate cash working capital on purchased power costs?**

11 A. The ECA mechanism approved in the 974 Docket allows Lane Scott to estimate its
12 purchased power costs for the current period and then true-up this estimate annually.
13 Therefore, in any given month, there is likely to be either an under-recovery or over-
14 recovery of purchased power costs. Consequently, in any particular month, the revenue
15 collected by Lane Scott may be reimbursing the Company for power purchased in the
16 past, or it may be providing funds for fuel and power that is still to be purchased in the
17 future. Therefore, I recommend removing cash working capital associated with purchased
18 power costs from the cash working capital calculation.

19
20 **Q. What is your adjustment to Lane Scott's cash working capital?**

21 A. As detailed in Schedule SMH-4, I have removed the cash working capital associated
22 with purchased power, resulting in a net cash working capital requirement of \$37,847.

23

1 V. **OPERATING INCOME ISSUES**

2 Q. **Please summarize the operating income adjustments set forth in your testimony.**

3 A. As detailed in Schedule SMH-11, I recommend the Commission approve each of the
4 following adjustments:

- 5 • Reduce Lane Scott's donation expense by \$1,890,
- 6 • Reduce Lane Scott's lobbying expense by \$3,725,
- 7 • Reduce Lane Scott's advertising expense by \$11,420,
- 8 • Reduce Lane Scott's entertainment expense by \$5,234,
- 9 • Reduce Lane Scott's directors fees and expenses by \$48,486, and
- 10 • Reduce Lane Scott's miscellaneous expense by \$888.

11

12 A. **DONATION EXPENSE**

13 Q. **Did Lane Scott include any donations or charitable contributions in its revenue
14 requirement claim?**

15 A. Yes it did. The Company's response to KCC Staff Data Request 42 shows that \$260 of
16 charitable contribution expense is included in the company's revenue requirement claim.

17

18 Q. **Are there additional charitable donations included in Lane Scott's cost of service
19 that were not identified in its response to KCC Staff Data Request 42?**

20 A. Yes. In its cost of service Lane Scott included a \$50.00 donation to the Kansas
21 Association of Wheat Growers.¹

22

¹ Company Response to KCC Staff Data Request No. 88.

1 **Q. In your opinion, did Lane Scott incur other expenses that should be considered**
2 **charitable contributions?**

3 A. Yes. Lane Scott sponsors a Junior Board of Directors. The Junior Board of Directors is an
4 educational program to encourage youth in the community to learn about cooperatives.
5 The Junior Board of Directors program includes trips and boardroom discussions on the
6 operation and organization of cooperatives in general, with emphasis on electric
7 cooperatives.

8

9 **Q. Why should the Junior Board of Directors expenses be considered a donation or**
10 **charitable contribution?**

11 A. This expenditure is not necessary for the provision of safe and reliable utility service. In
12 my opinion, sponsorship of the Junior Board of Directors is a public relations expense, or
13 an effort to improve community relations, but it does not contribute to the provision of
14 safe and reliable utility service. As a result, all expenses associated with Lane Scott's
15 Junior Board of Directors should be treated the same as any other charitable contribution.

16

17 **Q. What expense did Lane Scott incur during the test year for its Junior Board of**
18 **Directors?**

19 A. Lane Scott included \$3,470 in Junior Board of Directors expenses in its cost of service.²

20

21

² Company response to KCC Staff Data Request No. 88.

1 **Q. Is it appropriate to include charitable contributions in a utility's revenue**
2 **requirement?**

3 A. No, it is not. Charitable contributions and donations are not costs that are necessary for
4 the provision of safe and reliable utility service.

5

6 **Q. Has the Commission previously required a portion of charitable contributions or**
7 **donations be removed from the utility's cost of service?**

8 A. Yes. In the past the Commission has generally required regulated utilities to exclude
9 50% of its charitable contributions or donations from the utility's cost of service. These
10 costs are inappropriate as they are not necessary for the provision of safe and reliable
11 utility service. The Commission policy is to eliminate these expenses and conforms with
12 K.S.A. 66-101f(a).³

13

14 **Q. Did Lane Scott make an adjustment to eliminate 50% of its charitable contributions**
15 **from its cost of service?**

16 A. No, it did not.

17

18 **Q. Did you make an adjustment to eliminate 50% of the Lane Scott Division's**
19 **charitable contributions from its cost of service?**

20 A. Yes, I did. As detailed in Schedule SMH-5, I have removed 50%, or \$1,890, of Lane
21 Scott's charitable contributions from its cost of service.

³ K.S.A. 66-101 f(a) states: "For the purposes of determining just and reasonable rates, the Commission may adopt a policy of disallowing a percentage, not to exceed 50% of utility dues, donations and contributions to charitable, civic and social organizations and entities, in addition to disallowing specific dues, donations and contributions which are found unreasonable or inappropriate."

1 **B. LOBBYING EXPENSE**

2 **Q. Did Lane Scott include any lobbying costs in its revenue requirement?**

3 A. Yes. In its response to Staff Data Request 49, the Company indicated that it does not
4 directly contribute to lobbying organizations. The only lobbying Lane Scott supports is
5 through the dues it pays to the Kansas Electric Cooperative (“KEC”) and the National
6 Rural Electric Cooperative Association (“NRECA”), both of which lobby on behalf of
7 rural electric cooperatives.

8
9 **Q. What percentage of the dues paid by Lane Scott to KEC and NRECA are attributed**
10 **to lobbying?**

11 A. According to the Company’s response to Staff Data Request No. 49, during the 2010 test
12 year, 20.85% of the dues paid to KEC are attributed to lobbying, while 20% of the dues
13 paid to NRECA are attributed to lobbying.

14
15 **Q. Is it appropriate to include lobbying costs in the utility’s cost of service?**

16 A. No, it is not. Lobbying expenses are not necessary for the provision of safe and reliable
17 utility service and therefore should not be included in the utility’s cost of service.

18
19 **Q. What adjustments did you make to remove Lane Scott’s lobbying expenses from its**
20 **cost of service?**

21 A. As detailed in schedule SMH-6, I have removed 20.85% of the dues paid to KEC and
22 20% of the dues paid to NRECA. These adjustments are \$3,160 and \$565 for KEC and
23 NRECA, respectively.

1 **C. ADVERTISING EXPENSE**

2 **Q. Are you recommending any adjustment to the Lane Scott's advertising costs?**

3 A. Yes. As detailed in schedule SMH-7, I have removed \$11,420 in advertising costs.

4
5 **Q. Please explain your adjustment to Lane Scott's advertising expense.**

6 A. In its response to KCC Staff Data Request No. 45, the Company provided a listing of all
7 advertising expenses incurred during the 2010 test year. According to this list, advertising
8 expenses during 2010 were for items such as "yellow page ad", "phone listing", "annual
9 meeting notice", "race car sponsorship", "after prom donation", "radio-spots", "rodeo
10 sponsorship", and "golf tournament sponsorship". In my opinion, only the \$4,455
11 incurred for the purpose of phone listings and the annual meeting notice should be
12 included in Lane Scott's cost of service.

13 Additionally, I have removed \$55 in expenses paid to Amazon Marketplace
14 through Lane Scott's corporate credit card. In its response to CURB Data Request No.
15 33, Lane Scott was unable to identify the purpose of two transactions paid to Amazon
16 Marketplace through its corporate credit card. Lane Scott classified these charges in
17 account 930.1, which is its general advertising expenses account. In my opinion, these
18 charges are unrelated to providing safe and reliable utility service and should not be
19 included in rates.

20 I have reduced Lane Scott's advertising expense by \$11,420 to remove costs that
21 are for the purpose of enhancing its corporate image, and are therefore not necessary to
22 the provision of safe and reliable utility service.

1 **D. ENTERTAINMENT EXPENSES**

2 **Q. Did you make an adjustment to remove Lane Scott’s entertainment expenses from**
3 **its cost of service?**

4 A. Yes. As detailed in Schedule SMH-8, I removed \$5,234 associated with entertainment
5 expenses from Lane Scott’s cost of service.

6
7 **Q. Did Lane Scott include any entertainment expenses in its cost of service?**

8 A. Yes. My review of Lane Scott’s test year identified entertainment expenses in its cost of
9 service. However, in its response to KCC Data Request 60, Lane Scott indicated that it
10 did not include any “golf, country club or entertainment expenses.”

11
12 **Q. What entertainment expenses did you determine are included in Lane Scott’s cost of**
13 **service?**

14 A. Lane Scott included the following expenses in its cost of service:

- 15 • \$260.00 for Golf Sponsorship/Fees (account 930.3)⁴
- 16 • \$159.57 for meals and hotel at Golf Tournament (account 930.32)⁵
- 17 • \$1,994.39 for Annual Meeting Gifts (account 930.4)⁶
- 18 • \$2,441.07 for Annual Meeting Meal (account 930.4)⁷
- 19 • \$343.75 for Tent Rental (account 930.4)⁸
- 20 • \$35.00 for Annual Meeting Entertainment (account 930.21)⁹

⁴ Company response to KCC Staff Data Request No. 88.

⁵ Company response to CURB Data Request No. 33.

⁶ Company response to KCC Staff Data Request No. 88.

⁷ Company response to KCC Staff Data Request No. 88.

⁸ Company response to KCC Staff Data Request No. 88.

1 In my opinion, each of these expenses should be classified as entertainment expenses.

2
3 **Q. Please describe the expenses associate with the golf tournament.**

4 A. Lane Scott included \$360.00 in costs associated with the annual Kansas Committee for
5 Rural Electrification (“KCRE”) Golf tournament that was held August 27, 2010 in Salina,
6 Kansas. According to the KEC’s website, the proceeds from this golf tournament are
7 used to support candidates for political offices.¹⁰ Lane Scott split these costs between
8 two accounts: advertising expense (\$100)¹¹ and miscellaneous general expenses (\$260).¹²
9 My previous adjustment to advertising expense removed the \$100 in advertising expense
10 from Lane Scott’s cost of service.

11 Additionally, Lane Scott included costs for meals at McDonalds and Timberline
12 Steakhouse in Salina, Kansas on August 27, 2010 (\$57.31 total) and the costs of two
13 hotel rooms at the Fairfield Inn in Salina on August 27, 2010 (\$102.26 total).¹³ These
14 costs were classified in account number 930.32 – misc general expenses-meeting
15 expense. While Lane Scott did not specifically identify these costs as being associated
16 with the KCRE golf tournament, it is my opinion these costs are related to Lane Scott
17 employees and or trustees attending the KCRE golf tournament.

18
19 **Q. Is it appropriate to include these in the utility’s cost of service?**

⁹ Company response to KCC Staff Data Request No. 88.

¹⁰ *Rural Power*, September 10, 2010, <http://www.kec.org/documents/RP-9-10-10.pdf>

¹¹ Company response to KCC Staff Data Request No. 45.

¹² Company response to KCC Staff Data Request No. 88.

¹³ Company response to CURB Data Request No. 33.

1 A. No it is not. Golf tournaments are not related to the provision of safe and reliable electric
2 service.

3 **Q. Please describe the remaining entertainment expenses.**

4 A. Lane Scott Cooperative holds an annual meeting of its membership, as required by its by-
5 laws. This meeting was held on July 13, 2010 at the Lane County Fairgrounds. According
6 to an article in the Kansas Electric Cooperative's *Rural Power*, a crowd of nearly 500
7 guests were served a catered BBQ meal, enjoyed free carnival rides, and were awarded
8 with many door prizes at the Lane Scott annual meeting.¹⁴

9

10 **Q. Is it appropriate to include these in the utility's cost of service?**

11 A. No it is not. While Lane Scott is required to hold an annual meeting of its members, it is
12 not required to provide a catered meal, free carnival rides, and gifts at the meeting. These
13 costs are not related to the provision of safe and reliable utility service and should not be
14 paid for by ratepayers.

15

16 **E. DIRECTOR FEES & EXPENSE**

17 **Q. Please describe the make-up of Lane Scott Electric Cooperative's Board of**
18 **Directors.**

19 A. According to pages 8 and 9 of *Lane Scott Electric Cooperative's Official Notice of 60th*
20 *Annual Meeting*, its Board of Directors is made up of nine (9) members, representing
21 eight (8) counties. I have included the final page of this notice as Exhibit SMH-1.¹⁵

¹⁴ *Rural Power*, September 10, 2010, <http://www.kec.org/documents/RP-9-10-10.pdf>

¹⁵ As included in Lane Scott Electric Cooperative's Official Notice of 60th Annual Meeting;
<http://www.lanescott.coop/documents/LASannualreport2010Book.pdf>

1 **Q. Does the Lane Scott division have a Board of Directors that solely represents its**
2 **territory and customers?**

3 **A.** No. According to Lane Scott's response to CURB Data Request No. 17, the nine
4 members of the Lane Scott Electric Cooperative Board direct operations for both the
5 Lane Scott Division and Lane Scott native territory.

6
7 **Q. Do you have concerns regarding Lane Scott's use of a single Board of Directors to**
8 **represent customers in different companies?**

9 **A.** Yes. Having one single Board creates a potential conflict of interest. This is especially
10 true when there is possible subsidization of one entity by another, as discussed in Ms.
11 Crane's testimony. In addition, the typical cooperative utility structure is intended to
12 provide a mechanism whereby the customers of the utility are also its owners and,
13 indirectly through the Board, its managers. However, since the Lane Scott Cooperative
14 Board has seven (7) members that do not reside in the Lane Scott Division's service
15 territory, there is no assurance that the utilities' customers are actually getting the
16 representation to which they are entitled.

17
18 **Q. Do the Lane Scott divisional members have a Board Trustee on the Lane Scott**
19 **Electric Cooperative's Board of Directors that serves only their interest?**

20 **A.** No. There are two members of the Lane Scott Electric Cooperative Board of Directors
21 that represent Ness and Rush counties, which is where the Lane Scott divisional territory
22 is located. However, there are also native load customers of the Lane Scott Electric
23 Cooperative located in Ness County, which effectively means the two Board members –

1 Mr. Paul Seib, Jr. and Mr. Harold Hoss – who represent Ness and Rush Counties, serve
2 the interests of both the native customers and the Lane Scott Divisional customers.

3
4 **Q. Were Mr. Seib and Mr. Hoss elected to serve the interests of the Lane Scott division**
5 **customers on the Lane Scott Electric Cooperative Board of Directors?**

6 A. No. Mr. Paul Seib, Jr. and Mr. Harold Hoss were elected members of the Lane Scott
7 Electric Cooperative Board of Directors prior to the addition of the Lane Scott divisional
8 customers. Mr. Paul Seib, Jr. and Mr. Harold Hoss have served on the Lane Scott Electric
9 Cooperative Board of Directors for 34 and 27 years, respectively.¹⁶

10
11 **Q. Were any changes made to the Lane Scott Cooperative Board in 2007 when MKEC**
12 **acquired the former Aquila territory?**

13 A. For the most part, no. The Lane Scott Cooperative Board amended its bylaws in July
14 2007 to include representation of Rush county.¹⁷ However, this representation was not
15 assigned to a new additional trustee position but rather was assigned to a current trustee
16 of the Lane Scott Cooperative Board. There has been no change to the membership or
17 representation of members on the Lane Scott Electric Cooperative Board of Directors
18 since MKEC acquired the assets and operations of the Lane Scott division in 2007.

19
20

¹⁶ Biographies of Harold Hoss and Paul Seib, Jr., available at www.lanescott.coop.

¹⁷ As included in Lane Scott Electric Cooperative's Official Notice of 57th Annual Meeting;
<http://www.lanescott.coop/documents/LASannualreport07Book.pdf>

1 **Q. In your opinion, do Lane Scott's divisional members have equal and fair**
2 **representation on the Lane Scott Electric Cooperative Board of Directors?**

3 A. No. The Lane Scott Division has 1,404 members while the Lane Scott Electric
4 Cooperative (the native load) has only 980 members, yet only 2 of the 9 members of
5 Lane Scott Electric Cooperative's Board of Directors serve the counties of Ness and
6 Rush, where the Lane Scott divisional customers are located.¹⁸ As I previously stated,
7 these two Board members do not appear to be customers of the Lane Scott Division and
8 also represent the native load customers in Ness County. The interests of the Board
9 member cannot be traced solely to the Lane Scott divisional customers.

10

11 **Q. Do Lane Scott's divisional members have the opportunity to vote for the Lane Scott**
12 **Electric Cooperative's Board of Directors?**

13 A. Yes. All members of the Lane Scott Electric Cooperative are given the opportunity to
14 vote for three members of the Board of Directors at an annual meeting held each summer.

15

16 **Q. Because Lane Scott divisional customers get the opportunity to vote for members of**
17 **the Board of Directors, does that make the representation fair and equal?**

18 A. In my opinion, no. The Lane Scott Electric Cooperative more than doubled its customer
19 base when it began serving the Lane Scott divisional customers after MKEC's acquisition
20 of the former Aquila territory in 2007. This type of change in customer base and
21 membership warranted a change to the existing Board of Directors. Fair and equal

¹⁸ Company response on CURB Data Request No. 16.

1 representation on the Board would have been at least partially accomplished by the
2 addition of new trustees to the Board of Directors designated to represent the interests of
3 the Lane Scott Division customers. These new Trustees could have been elected by the
4 Lane Scott divisional customers to represent their interests on the Lane Scott Electric
5 Cooperative Board of Directors. As a result, simply adding Rush County to the list of
6 representation for two existing Board members did not provide fair or equal
7 representation to the Lane Scott divisional customers.
8

9 **Q. Despite the lack of fair and equal representation on the Board of Directors, are**
10 **Lane Scott's divisional customers paying Board member expenses?**

11 A. Yes. During the 2010 test year, Lane Scott included \$48,486 in expenses for its Board of
12 Directors. This \$48,486 expense represents direct payments made to individual members
13 of its Board of Directors for per diem, mileage and other travel reimbursements during
14 2010. In its response to KCC Staff Data Request No. 88, Lane Scott provided the
15 following data regarding its 2010 Trustee fees and expenses:

- 16 • Bruce Wilkins: \$4,311.00
- 17 • Craig Ramsey: \$5,947.69
- 18 • Eric Doll: \$2,035.00
- 19 • Ed Gough: \$2,757.79
- 20 • Harold Hoss: \$7,723.79
- 21 • Richard Jennison: \$6,665.20
- 22 • Paul Seib: \$10,285.27
- 23 • Rad Roehl: \$5,259.96

- 1 • Richard Sorem: \$3,500.01

2

3 **Q. How are Board member expenses allocated between the divisional and native**
4 **customers?**

5 A. All Trustee fees and expenses and general meeting expenses are split 50/50 between the
6 divisional customers and the native load customers.¹⁹ Thus, the claim for \$48,486 in
7 director's fees and expenses for 2010 is only 50% of the actual company-wide expense.

8

9 **Q. Should Lane Scott's divisional customers be required to pay 50% of Board of**
10 **Director expenses, given that they do not have fair and equal representation on the**
11 **Lane Scott Electric Cooperative's Board of Directors?**

12 A. No. It is my opinion that the members in Lane Scott's divisional territory do not have
13 fair and equal representation on the Board. Therefore, these customers should not pay
14 expenses for individuals on a Board who do not represent their interests. As a result, I
15 have removed \$48,486 in director's fees and expenses for Mr. Wilkins, Mr. Ramsey, Mr.
16 Doll, Mr. Gough, Mr. Hoss, Mr. Jennison, Mr. Seib, Mr. Roehl, and Mr. Sorem from
17 Lane Scott's cost of service. This adjustment is detailed in Schedule SMH-9.

18

19

20

¹⁹ Company response to KCC Staff Data Request No. 4.

1 **Q. Do you have other concerns regarding the level of Board of Directors and general**
2 **meeting expenses?**

3 A. Yes. The level of expense associated with Lane Scott's Board of Directors appears
4 excessive. During the 2010 test year, Lane Scott's Director's fees and expenses were
5 \$48,486. Additionally, the Company included \$37,586 for the purpose of general meeting
6 expenses. Combined, for the 2010 test year, the payments made directly to members of
7 the Board of Directors and general meeting expenses totaled \$92,946.08.²⁰ The expenses
8 are split 50/50 between Lane Scott's divisional and native customers – which means that
9 from a system-wide perspective, over \$185,000 was spent in one calendar year for a rural
10 cooperative Board of only nine members who serve only 2,384 members.

11

12 **Q. Is this level of expense for its Board of Directors and meetings excessive?**

13 A. Yes. Lane Scott acknowledges in its response to CURB Data Request No. 30, that the per
14 diem provided to each Board member is \$300 per day for meetings. Based on this per
15 diem, for nine board members to attend a monthly board meeting, the annual expense
16 would be \$32,400 – which, using Lane Scott's allocation method would then be split
17 50/50 between the native load customers and the divisional customers. As I previously
18 stated, the Lane Scott Electric Cooperative Board allocated \$48,486 in director's fees and
19 expenses to Lane Scott's divisional customers – triple the amount that would be allocated
20 to the Lane Scott division if Board members received only the required per diem to attend
21 the Lane Scott Electric Cooperative Board meeting each month. It is my opinion that the

²⁰ Company response to KCC Staff Data Request No. 88. Account 930.21 (Directors Fees & Expenses) = \$55,359.74. Account 930.32 (Misc General Ex – Meeting Expenses) = \$37,586.34.

1 level of director's fees and expenses, as well as board meeting expense, is excessive for
2 this size of a utility.

3
4 **F. MISCELLANEOUS GENERAL EXPENSES**

5 **Q. Do you have any specific adjustments to make to Lane Scott's miscellaneous general**
6 **expenses?**

7 A. Yes, I have made two specific adjustments shown in Schedule SMH-10. First, I removed
8 \$137.67 paid for XM Satellite Radio and OnStar calling minutes and subscription
9 expenses during the 2010 test year. According to its response to CURB Data Request No.
10 33, Lane Scott indicated that it included expenses for XM satellite radio services and an
11 OnStar subscription in its manager's car. Subscriptions to XM Satellite Radio Service
12 and OnStar calling services are not necessary to the provision of safe and reliable utility
13 service and therefore should not be included in its calculation of rates.

14 Second, I have removed \$750.00 of miscellaneous general expenses paid to Hallmark
15 Insights for business relationship marketing tools. In my opinion, business relationship
16 marketing tools should receive the same treatment as corporate promotion expenses, and
17 should not be included in rates.

18
19 **VI. SUMMARY OF REVENUE REQUIREMENTS**

20 **Q. What is the result of the recommendations contained in this testimony?**

21 A. My adjustments show that the Lane Scott division has a revenue deficiency at present
22 rates of \$48,888, as summarized on Schedule SMH-1. My recommendation incorporates
23 the adjustments and recommendations made by CURB witnesses Mr. Benjamin Cotton

1 and Ms. Andrea Crane. I recommend the Commission award a rate increase of no more
2 than \$48,888 in this proceeding.

3
4 **VII. RATE DESIGN ISSUES**

5 **Q. Please describe the Company's proposed residential heat pump program.**

6 A. The Company's proposed residential heat pump program will allow Lane Scott divisional
7 customers to receive a discounted electric rate on both summer cooling and winter
8 heating if they permanently install and use an electric heat pump as the major source of
9 heating and cooling their residence. The company currently offers this program to its
10 native load customers and would like to extend the program to the divisional customers
11 as well.

12
13 **Q. What is the purpose of the heat pump program?**

14 A. According to the direct testimony of Mr. Douglas Sheperd, the purpose of the heat pump
15 program is to "encourage members to choose a more efficient heating and cooling
16 system."²¹

17
18 **Q. What is the rate proposed by the Company for customers that participate in the
19 heat pump program?**

20 A. During the summer months, the proposed heat pump rate is \$0.08926 per kWh, a
21 discount of \$0.03 from the standard proposed summer rate of \$0.11926 per kWh. During

²¹ Shepherd Direct, p. 11, KCC Docket No. 12-MKEE-410-RTS.

1 the winter months, the proposed heat pump rate is \$0.07926 per kWh, a discount of \$0.03
2 from the standard proposed winter rate of \$0.10926 per kWh.²²

3
4 **Q. Did the company provide an analysis supporting the proposed heat pump rates?**

5 A. No it did not. There is no rate analysis presented in its application that supports the
6 proposed heat pump program rates. The proposed rate design is similar to an existing rate
7 schedule for the native territory: the Lane Scott Division would use a separate meter to
8 sub-meter the heat pump use. All energy delivered through the sub-meter would be
9 approximately three cents less than the standard rate.

10
11 **Q. Should the Commission approve the Company's proposed heat pump program?**

12 A. No. First, the Company has not provided any evidence that supports or justifies the
13 addition of its proposed heat pump program. Mr. Shepherd states that the Company is
14 proposing the heat pump program in this proceeding because "(t)he cooperative wishes to
15 make a similar rate available to members of the Lane Scott Division."²³

16 Second, the heat pump program as proposed by Lane Scott in this proceeding
17 provides deep discounts to customers during both summer and winter months. In fact, the
18 heat pump program as proposed offers customers a 25% discount on summer cooling
19 rates. This type of deep discount eliminates the customer's incentive to conserve energy
20 during the entire year – but especially during the high usage summer months. There is no
21 benefit to the rest of the Lane Scott divisional customers or the Lane Scott Electric

²² Shepherd Direct, Schedule 12-HP.

²³ Shepherd Direct, p. 11, KCC Docket No. 12-MKEE-410-RTS.

1 Cooperative as a whole in offering discounted electricity rates to customers that install
2 heat pumps.

3

4 **Q. Do you have any other concerns regarding the Company's proposed rates?**

5 A. Yes. The Company is utilizing a declining block schedule during its winter months. As
6 proposed by the Company in its application, the Company's tariff provides a 2.851¢ per
7 kWh discount for increased consumption, beginning with the 801st kWh consumed by a
8 customer during the winter. That discount encourages rather than discourages
9 consumption, and thus sends the wrong price signal to customers.

10

11 **Q. Do you support the use of declining blocks in electric rates?**

12 A. No, I do not. Programs like Lane Scott's proposed heat pump program are purportedly
13 designed to encourage more efficient use of electricity. However, declining block rates
14 send the wrong price signal to customers – these rates encourage customers not to
15 conserve, but rather reward customers that use more electricity by charging them a lower
16 rate. In my opinion, if it is Commission policy to encourage energy conservation, then
17 Lane Scott's proposal to implement declining block rates should be denied.

18

19 **Q. Does this conclude your testimony?**

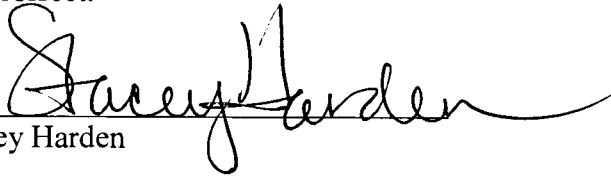
20 A. Yes.

VERIFICATION

STATE OF KANSAS)
COUNTY OF SHAWNEE) ss:

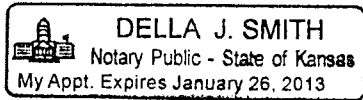
I, Stacey Harden, of lawful age, being first duly sworn upon her oath states:

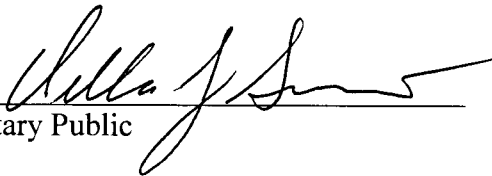
That she is a regulatory analyst for the Citizens' Utility Ratepayer Board, that she has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.



Stacey Harden

SUBSCRIBED AND SWORN to before me this 30th day of November 2012.





Notary Public

My Commission expires: 01-26-2013.

APPENDIX A

**Supporting Schedules
SMH1 – SMH12**

Mid-Kansas Electric Company - Lane-Scott Division
 Docket No. 12-MKEE-410-RTS
 Revenue Requirement
 Test Year Ending - December 31, 2010

SCHEDULE SMH-1

Line No.	Description	Company Test Year Actual	Company Proforma Adjustments	Company Adjusted Test Year	CURB Proforma Adjustments		CURB Recommended Test Year
1	Rate Base	\$4,970,309	\$15,553	\$4,985,862	(3,112,224)	(1)	\$1,873,772
2	Rate of Return	<u>8.718%</u>		<u>8.718%</u>		(2)	<u>6.55%</u>
3	Required Operating Margins	\$433,312		\$434,667			\$122,723
4	Proforma Operating Margins	<u>\$31,038</u>	(\$107,285)	<u>(\$76,247)</u>		(3)	<u>\$73,835</u>
5	Revenue Deficiency/(Surplus)	<u>\$402,274</u>		<u>\$510,915</u>			<u>\$48,888</u>

(1) Schedule SMH-2, line 9

(2) Overall rate of return recommended by Mr. Benjamin Cotton

(3) Schedule SMH-2, line 12

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Rate Base & Rate-of-Return
Test Year Ending - December 31, 2010

SCHEDULE SMH-2

Line No.		Company Test Year Actual	Company Pro-Forma Adjustments	Company Adjusted Test Year	CURB Proforma Adjustment		CURB Recommended Test Year
1	Plant in Service	\$9,932,138		\$9,932,138	(\$2,937,808)	(1)	\$6,994,330
2	Accumulated Depreciation	5,544,472		5,544,472	\$299,273	(2)	\$5,245,199
3	Net Plant	\$4,387,666	\$0	\$4,387,666	(\$2,638,535)		\$1,749,131
4	Material & Supplies	471,289		471,289	(\$400,596)	(3)	\$70,694
5	Prepayments	16,101		16,101			\$16,101
6	Cash Working Capital	95,253	\$15,553	110,806	(\$72,959)	(4)	\$37,847
7	CFC Investments	0		0			\$0
8	KEC Investments	0		0			\$0
9	RATE BASE	\$4,970,309	\$15,553	\$4,985,862	(\$3,112,224)		\$1,873,772
10	OPERATING REVENUES	\$3,823,185	\$21,787	3,844,973	0		3,844,973
11	OPERATING EXPENSES	3,792,147	129,072	3,921,220	(\$150,082)	(5)	3,771,138
12	MARGINS	\$31,038	(\$107,285)	(\$76,247)			\$73,835

- (1) Direct Testimony of Ms. Andrea Crane, Schedule ACC-1
- (2) Direct Testimony of Ms. Andrea Crane, Schedule ACC-1
- (3) Schedule SMH-3
- (4) Schedule SMH-4
- (5) Schedule SMH-12

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Plant Materials and Supplies
Test Year Ending - December 31, 2010

SCHEDULE SMH-3

1. Company Claim	(1)	\$471,289
2. Allocation to Lane Scott Division (%)	(2)	15%
3. Allocation to Lane Scott Division (\$)		<u>\$70,693</u>
4. CURB Adjustment to Plant Materials and Supplies		(\$400,596)

(1) Schedule C-2 of application, line 4

(2) Lane Scott response to KCC Staff Data Request No. 71

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Cash Working Capital
Test Year Ending - December 31, 2010

SCHEDULE SMH-4

Line No.	Description	Company Test Year Actual	Company Pro-Forma Adjustments	Company Adjusted Test Year	CURB Proforma Adjustment	CURB Recommended Test Year
1	Total Operations and Maintenance Expenses	\$3,792,147	\$129,072	\$3,921,220		\$3,921,220
2	Less: Purchased Power	2,618,431	5,981	2,624,412		\$2,624,412
3	Expenses Requiring Working Capital	\$1,173,716	\$123,091	\$1,296,807		\$1,296,807
<u>WORKING CAPITAL REQUIRED</u>						
4	Forty-five day allowance (line 3 x 12.50%)	\$146,715	\$15,386	\$162,101		\$162,101
5	Purchased Power Lag (line 2 x 2.78%)	72,792	166	72,959	(72,959)	\$0
6	Working Capital Required for Operation & Maintenance Expenses (line 4 + 5)	\$219,507	\$15,553	\$235,060		\$162,101
<u>WORKING CAPITAL PROVIDED</u>						
7	Accrued Property Tax	\$70,683	\$0	\$70,683		\$70,683
8	Memberships	0	0	0		
9	Customer Deposits (4)	41,103	0	41,103		\$41,103
10	Withholding Taxes	0	0	0		
11	Accrued Vacation & Holidays	12,467	0	12,467		\$12,467
12	Consumer Energy Prepayments	0	0	0		
13	Total Working Capital Provided	\$124,254	\$0	\$124,254		\$124,254
14	NET CASH WORKING CAPITAL REQUIRED (OR PROVIDED) (line 6 - 13)	\$95,253	\$15,553	\$110,806		\$37,847

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Donation Expense
Test Year Ending - December 31, 2010

SCHEDULE SMH-5

1. Company Claim	(1)	\$	260
2. Additional Donations:			
Kansas Association of Wheat Growers	(2)	\$	50
Jr. Board of Directors	(3)	\$	3,470
3. Total Donations during 2010 Test Year		\$	<u>3,780</u>
4. CURB recommended adjustment (%)			50%
5. CURB recommended adjustment (\$)		\$	1,890

- (1) Company response to Staff Data Request No. 42
- (2) Company response to Staff Data Request No. 88
- (3) Company response to Staff Data Request No. 88

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Lobbying Expense
Test Year Ending - December 31, 2010

SCHEDULE SMH-6

1. Dues to KEC in 2010	(1)	\$	15,156
% of KEC dues for purpose of lobbying	(2)		20.85%
\$ of KEC dues for purpose of lobbying		\$	<u>3,160</u>
2. Dues to NRECA in 2010	(3)	\$	2,825
% of NRECA dues for purpose of lobbying	(4)		20%
\$ of NRECA dues for purpose of lobbying		\$	<u>565</u>
5. CURB recommended adjustment (\$)		\$	<u><u>3,725</u></u>

- (1) Company response to Staff Data Request No. 42
- (2) Company response to Staff Data Request No. 88
- (3) Company response to Staff Data Request No. 88

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Advertising Expense
Test Year Ending - December 31, 2010

SCHEDULE SMH-7

1. Company Claim for Advertising Expense	(1)	\$	15,820
2. Additional advertising expenses	(2)	\$	55
3. Total Company Advertising Expense		\$	<u>15,875</u>
5. CURB recommended adjustment (\$)	(3)	\$	<u>11,420</u>

(1) Company response to Staff Data Request No. 45

(2) Company response to Staff Data Request No. 33

(3) CURB's adjustment removes all advertising expenses **except:**

Yellow Book USA - yellow page ad	\$1,482
Golden Belt Telephone - phone listing	\$1,480
Pioneer Communications - phone listing	\$1,480
Ness County News - Annual Meeting Notice	\$13

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Entertainment Expense
Test Year Ending - December 31, 2010

SCHEDULE SMH-8

1. Company Claim for Entertainment Expense	(1)	\$	-
2. Actual 2010 Entertainment expenses			
Golf Tournament Sponsorship/Fees	(2)	\$	260
Meals/hotel at Golf Tournament	(3)	\$	160
Annual Meeting Gifts	(2)	\$	1,994
Annual Meeting BBQ Meal	(2)	\$	2,441
Tent Rental at Annual Meeting	(2)	\$	344
NRECA Annual Meeting Entertainment	(2)	\$	35
3. Total Company Entertainment Expense		\$	<u>5,234</u>
4. CURB recommended adjustment (\$)		\$	<u><u>5,234</u></u>

- (1) Company response to Staff Data Request No. 60
- (2) Company response to Staff Data Request No. 88
- (3) Company response to CURB Data Request No. 33

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Directors Fees and Expenses
Test Year Ending - December 31, 2010

SCHEDULE SMH-9

1. Company Claim for Directors Fees and Expenses			
Bruce Wilkins	(1)	\$	4,311
Craig Ramsey	(1)	\$	5,948
Eric Doll	(1)	\$	2,035
Ed Gough	(1)	\$	2,758
Harold Hoss	(1)	\$	7,724
Richard Jennison	(1)	\$	6,665
Paul Seib, Jr.	(1)	\$	10,285
Rad Roehl	(1)	\$	5,260
Richard Sorem	(1)	\$	3,500
3. Total Company Directors Fees and Expenses		\$	<u>48,486</u>
4. CURB recommended adjustment (\$)		\$	<u><u>48,486</u></u>

(1) Company response to Staff Data Request No. 88

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Miscellaneous Expenses
Test Year Ending - December 31, 2010

SCHEDULE SMH-10

1. Company Claim for Miscellaneous Expenses		
XM Satellite Radio	(1) \$	138
Business Relationship Marketing Tools	(1) \$	750
2. Total Company Directors Fees and Expenses		<u>\$ 888</u>
3. CURB recommended adjustment (\$)		<u><u>\$ 888</u></u>

(1) Company response to CURB Data Request No. 33

Mid-Kansas Electric Company - Lane-Scott Division
Docket No. 12-MKEE-410-RTS
Summary of CURB Operating Adjustments
Test Year Ending - December 31, 2010

SCHEDULE SMH-11

1. Donation Expense	(1)	\$	1,890
2. Lobbying Expense	(2)	\$	3,725
3. Advertising Expense	(3)	\$	11,420
4. Entertainment Expense	(4)	\$	5,234
5. Directors Fees and Expenses	(5)	\$	48,486
6. Miscellaneous Expense	(6)	\$	888
Total CURB Operating Adjustments:			<u>\$ 71,643</u>

- (1) SMH-5
- (2) SMH-6
- (3) SMH-7
- (4) SMH-8
- (5) SMH-9
- (6) SMH-10

Line No.	(a) Company Actual Test Year	(b) Company Pro-Forma Adjustments	(c) Company Adjusted Test Year	(d) CURB Pro-Forma Adjustments	(e) CURB Recommended Test Year
OPERATING REVENUE					
1	Sale of Electricity	\$3,807,796	21,787	\$3,829,584	\$3,829,584
2	Other	15,389		15,389	\$15,389
3	CFC Interest			0	\$0
4	Total Operating Revenue	3,823,185	21,787	3,844,973	3,844,973
OPERATING EXPENSES					
5	Purchased Power	2,618,431	5,981	2,624,412	2,624,412
6	Transmission O&M	12,455		12,455	12,455
7	Distribution-Operation	262,446		262,446	262,446
8	Distribution-Maintenance	106,411		106,411	106,411
9	Consumer Accounts	178,183		178,183	178,183
10	Customer Service	10,543		10,543	10,543
11	Administrative & General	439,386	23,333	462,719	(71,643) (1)
12	Depreciation	264,051		264,051	(78,439) (2)
13	Amortization	(99,758)	99,758	0	0
14	Property Taxes	0		0	0
15	Other Taxes	0		0	0
16	Total O&M Expenses	3,792,147	129,072	3,921,220	(\$150,082)
17	ELECTRIC OPERATING MARGINS	31,038	(107,285)	(76,247)	73,834
INTEREST EXPENSES					
18	Interest on Long Term Debt	28,281	(28,281)	0	0
19	Interest Charged to Construction - Credit	0		0	0
20	Interest on Other Debt	248		248	248
21	Other Deductions	4,635	(99,758)	(95,123)	(95,123)
22	Total Interest Expenses	33,164	(128,039)	(94,875)	(94,875)
23	OPERATING MARGINS	(2,126)	20,754	18,628	168,709
NON-OPERATING MARGINS					
24	Interest Revenue	0		0	0
25	Other Revenue	(1,539)		(1,539)	(1,539)
26	Capital Credits	0		0	0
27	Total Non-Operating Margins	(1,539)	0	(1,539)	(1,539)
28	NET MARGINS	(\$3,665)	\$20,754	\$17,089	\$167,170

(1) Schedule SMH-11

(2) Direct Testimony of Ms. Andrea Crane, Schedule ACC-2

APPENDIX B

Exhibit SMH-1

Your Neighbors Serving as Your Cooperative's Trustees



Ed Gough
Trustee
Lane & Gove Counties



Dick Jennison
President
Lane & Gove Counties



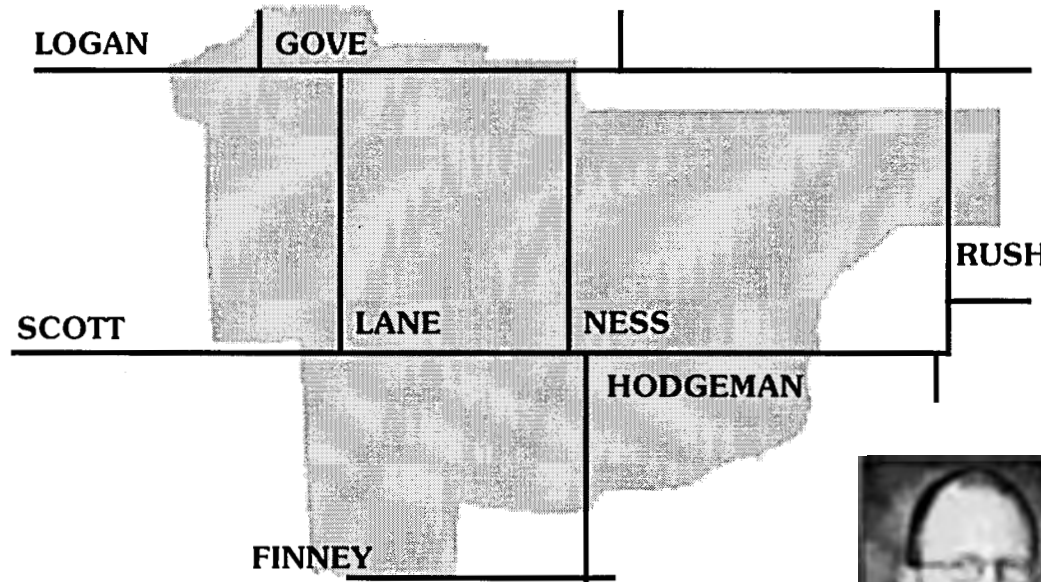
Bruce Wilkens
Trustee
Scott & Logan Counties



Rad Roehl
Trustee
Lane & Gove Counties



Craig Ramsey
Vice President
Scott & Logan Counties



Paul Seib, Jr.
Secretary
Rush & Ness Counties

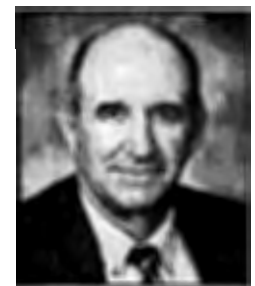


Eric Doll
Treasurer
Finney & Hodgeman Counties

Lane-Scott provides electrical power to more than 6,200 services in the Western Kansas Counties of Lane, Scott, Gove, Ness, Finney, Logan, Hodgeman and Rush.



Dick Sorem
Trustee
Finney & Hodgeman Counties



Harold Hoss
Trustee
Rush & Ness Counties

APPENDIX C

Referenced Data Requests

**CURB-16
CURB-17
CURB-30
CURB-33 (Partial)**

**KCC-4
KCC-42
KCC-45
KCC-49
KCC-60
KCC-71
KCC-88 (Partial)
KCC-142 (Partial)**

**Citizen's Utility Ratepayer Board
Information Request**

Request No: CURB-16.

Company Name	MID-KANSAS ELECTRIC COMPANY, LLC	MKEE
Docket Number	12-MKEE-410-RTS	
Request Date	September 4, 2012	
Date Information Needed	September 18, 2012	

RE: No. of Members

Please Provide the Following:

Please provide the number of members of the a) Lane Scott Electric Cooperative, and b) the Lane Scott Division.

Submitted By C. Steven Rarrick

Submitted To MKEC Lane-Scott Division

a) 980 members b) 1404 members

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Bob Morris

Date: September 14, 2012

Citizen's Utility Ratepayer Board
Information Request

Request No: CURB-17.

Company Name	MID-KANSAS ELECTRIC COMPANY, LLC	MKEE
Docket Number	12-MKEE-410-RTS	
Request Date	September 4, 2012	
Date Information Needed	September 18, 2012	

RE: Cooperative Board

Please Provide the Following:

Is there a separate Cooperative Board for members of the Lane Scott Division or does the Lane Scott Electric Cooperative Board direct operations for both the Lane Scott Division and the Lane Scott Electric Cooperative?

Submitted By C. Steven Rarrick

Submitted To MKEC Lane-Scott Division

The Lane-Scott Electric Cooperative Board directs operations for both the Lane-Scott Division and Lane-Scott Electric.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Doug Morris

Date: September 14, 2012

**Citizen's Utility Ratepayer Board
Information Request**

Request No: CURB 30

Company Name	MID-KANSAS ELECTRIC COMPANY, LLC	MKEE
Docket Number	12-MKEE-410-RTS	
Request Date	September 4, 2012	
Date Information Needed	September 18, 2012	

RE: Trustee's Fees and Expenses

Please Provide the Following:

In reference to KCC DR 125 - please provide the following information:

- a. What is the amount of per diem provided to each board member, per meeting?
- b. What is the mileage rate for reimbursement of board member travel?
- c. Why do all December board members' meeting expenses indicate "withheld donation from per diem"?
- d. What is the EASE organization donation of \$1,329.50 recorded as Administrative and General Expense on 11/30/2010?

Submitted By C. Steven Rarrick

Submitted To MKEC Lane-Scott Division

- a. \$300 per day for meetings. \$250 per day for travel.
- b. We use the IRS allowable rate, which at that time was \$0.500.
- c. A request for financial assistance for a project to bring electricity to a small village in Africa was presented by the pastor of the Bible Fellowship Church. The board agreed to donate their per diem, if they wished, to EASE organization.
- d. In order to bring electricity, the village had to raise \$20,000 to begin the project and they were \$2,500 short. The board made a motion to donate \$2,500 to EASE organization and to offset that amount with any donations from the board and staff. The board per diem donations totaled \$2,659.00. When the check was written half was recorded to the native division and half to the Lane-Scott division.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: *Dou Morris*

Date: November 16, 2012

Citizen's Utility Ratepayer Board
Information Request

Request No: CURB 33

Company Name MID-KANSAS ELECTRIC COMPANY, LLC

MKEE

Docket Number 12-MKEE-410-RTS

Request Date November 8, 2012

Date Information Needed November 21, 2012

RE: Credit Card Statements

Please Provide the Following:

Is the vendor "Card Member Services" a company/business credit card? If so, please provide the monthly statements and a detailed list of all expenses charged to the Lane-Scott Division for "Card Member Services".

Submitted By C. Steven Rarrick

Submitted To MKEC Lane-Scott Division

Card Member Services is a company credit card. Monthly statements and a detailed list are attached separately as CURB DR 33 statements.pdf and CURB DR 33 detail.xlsx.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Don Morris

Date: November 20, 2012

Request No. CURB-33
 Company: Mid-Kansas Electric Company, LLC
 Docket No. 12-MKEE-410-RTS
 RE: Credit Card Charges

\$ 28.80	JJ Oil	NiSC Member Conference
\$ 32.50	Jose Cuervo	NiSC Member Conference
\$ 26.76	Woody's Sports Bar & Grill	Meals - Hot Line School
\$ 62.46	Club D'est	Meals - Hot Line School
\$ 18.48	Club D'est	Meals - Hot Line School
\$ 29.70	Playa Azul	Meals - Hot Line School
\$ 36.72	Applebees	Meals - Hot Line School
\$ 24.30	Woody's Sports Bar & Grill	Meals - Hot Line School
\$ 357.21	Regency Inn Suites	Hotel - Hot Line School
\$ 10.00	Frontier Airlines	NiSC Member Conference
\$ 7.84	Sonic Drive In	Meals
\$ 1,537.81	Total	

GL Acct 1.930.21

\$ 210.00	NRECA ORG	NRECA Region 7 Mtg
\$ 275.00	NRECA ORG	NRECA Region 7 Mtg

GL Acct 1.930.3

\$ 9.48	OnStar Subscription	Manager's Car
\$ 14.97	CRB US Charts	Commodities/Stock Charts
\$ 24.45	Total	

GL Acct 1.930.32

\$ 4.12	Greg's Place	Meals - KEC Manager's Mtg
\$ 18.02	Backfire BBQ	Meals - KEC Manager's Mtg
\$ 7.49	Calecos Downtown	Meals - KEC Manager's Mtg
\$ 10.54	TGI Friday's	Meals - KEC Manager's Mtg
\$ 2.71	Hardee's	Meals - KEC Manager's Mtg
\$ 105.18	Holiday Inn Express	Hotel - KEC Manager's Mtg
\$ 266.49	Renaissance Hotels	NiSC Member Conference
\$ 44.78	Fairfield Inn	Hotel - Sunflower Mtg
\$ 22.41	Mickey Mantles Steakhouse	RUS Acctg Seminar
\$ 95.66	Sheraton Hotels	RUS Acctg Seminar
\$ 39.62	Applebees	Meals
\$ 27.90	Applebees	Meals
\$ 47.06	Timberline Steakhouse	Meals - KCRE
\$ 10.25	McDonalds	Meals - KCRE
\$ 51.13	Fairfield Inn	Hotel - KCRE
\$ 51.13	Fairfield Inn	Hotel - KCRE

Request No. CURB-33
 Company: Mid-Kansas Electric Company, LLC
 Docket No. 12-MKEE-410-RTS
 RE: Credit Card Charges

\$ 35.66	Thirsty's	Meals - Sunflower Mtg
\$ 100.84	Holiday Inn Select	Hotel - Line Supervisors Mtg
\$ 24.94	QT	Meals - Line Supervisors Mtg
\$ 965.93	Total	

10/31/2010

GL Acct 1.588.

\$ 4.90	Ma & Pa's Inc.	Batteries
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GL Acct1.930.3

\$ 9.48	OnStar Subscription	Manager's Car
\$ 14.97	CRB US Charts	Commodities/Stock Charts
\$ 24.45	Total	

GL Acct 1.930.32

\$ 14.98	The Spot	Meals
\$ 38.82	Gordon Biersch	Meals - NRECA Region VII
\$ 39.34	Outback	Meals - NRECA Region VII
\$ 295.03	Omni Hotels	NRECA Region VII
\$ 26.89	River City Brewing Company	Meals - Renewable Conference
\$ 8.61	River City Brewing Company	Meals - Renewable Conference
\$ 92.23	Hyatt Hotels	Renewable Conference
\$ 89.55	Fairfield Inn	Sunflower Mtg
\$ 19.99	Carriage Crossing Restaurant	Meals - KMSDA Mtg
\$ 12.00	Loony Bin	Meals - KMSDA Mtg
\$ 15.07	Emerson Biggins Old Town	Meals - KMSDA Mtg
\$ 33.10	Granite City	Meals - KMSDA Mtg
\$ 269.66	The Hotel at Old Town	KMSDA Mtg
\$ 259.82	Renaissance Hotels	NRECA Regional Mtg
\$ 39.52	Thirstys	Meals - Sunflower Mtg
\$ 4.23	McDonalds	Meals - Accountants Mtg
\$ 16.47	Coco Bolos Wood Fired Grill	Meals - Accountants Mtg
\$ 11.89	Cracker Barrel	Meals - Accountants Mtg
\$ 96.25	Clarion	Hotel - Accountants Mtg
\$ 90.49	Clarion	Hotel - Accountants Mtg
\$ 1,473.94	Total	

11/30/2010

1.930.1

\$ 17.75	Amazon Marketplace	??
\$ 37.49	Amazon Marketplace	??



Manage your account online:
www.chase.com/ink

Additional contact information
conveniently located on reverse side

ACCOUNT SUMMARY

Account Number: [REDACTED]	
Previous Balance	\$2,678.09
Payment, Credits	-\$2,678.09
Purchases	+\$6,923.41
New Balance	\$6,923.41
Opening/Closing Date 08/27/10 - 09/26/10	
Total Credit Line	\$15,000
Available Credit	\$8,076
Cash Access Line	\$3,000
Available for Cash	\$3,000

PAYMENT INFORMATION

New Balance	\$6,923.41
Payment Due Date	10/16/10
Minimum Payment Due	\$138.00

Late Payment Warning: If we do not receive your minimum payment by the due date, you may have to pay up to a \$39 late fee.

Minimum Payment Warning: Enroll in Auto-Pay and avoid missing a payment. To enroll, call the number on the back of your card or go to the web site listed above.

ACCOUNT ACTIVITY

Date of Transaction	Merchant Name or Transaction Description	\$ Amount
08/29	WAL-MART #0652 GARDEN CITY KS	21.99
08/28	SHELL OIL 57444128003 MCPHERSON KS	23.78
08/28	AUTOZONE #1620 MCPHERSON KS	16.88
08/27	RINSE AND ROLL INC QPS 620-2412224 KS - Wash	8.00
08/29	THE CAR WASH - KANSAS GARDEN CITY KS	10.00
09/01	APPLEBEE'S #15 MCPHERSON KS	55.80
09/02	APPLEBEE'S #16 MCPHERSON KS	79.24
09/12	BAY STATION TRUCK & CAR W SCOTT CITY KS - Wash	8.00
09/15	ONSTAR SUBSCRIPTION 888-4ONSTAR MI	18.95
09/16	THIRSTYS LLC HAYS KS	71.31
09/20	NRECA ORG 703-9075917 VA - Harold Hess Registration	420.00
09/19	BAY STATION TRUCK & CAR W SCOTT CITY KS	8.00
09/20	NRECA ORG 703-9075917 VA - Harold Hess - Class	550.00
09/22	CRB US CHARTS CHICAGO IL	29.95
09/24	BAY STATION TRUCK & CAR W SCOTT CITY KS - Wash	8.00
EARL N STEFFENS		
TRANSACTIONS THIS CYCLE (CARD 5232) \$1,329.82		
08/27	TIMBERLINE STEAKHOUSE & G SALINA KS	94.13
08/27	MCDONALD'S F24313 SALINA KS	20.49
08/27	FAIRFIELD INNS SALINA SALINA KS	102.26
08/27	FAIRFIELD INNS SALINA SALINA KS	102.26
08/30	AT&T M384 15502 HAYS KS	507.99
09/08	GREG'S PLACE RUSH CENTER KS	6.25
09/08	BACKFIRE BBQKC50011956 KANSAS CITY KS	36.04
09/11	HOLIDAY INN EXPRESS KANSAS CITY KS	210.38
09/13	CALECOS DOWNTOWN SAINT LOUIS MO	14.99
09/14	TGI FRIDAY'S #1491 SAINT LOUIS MO	21.08
09/16	HARDEE'S 1505415054406 TOPEKA KS	5.42
09/17	FAIRFIELD INN HAYS KS	89.58
09/17	RENAISSANCE HOTELS ST LOU ST LOUIS MO	532.98
09/20	MICKEY MANTLES STEAKHOUSE OKLAHOMA OK	44.82
09/22	SHERATON HOTELS OK CITY OKLAHOMA CITY OK	191.32
DOW MORRIS		
TRANSACTIONS THIS CYCLE (CARD 2076) \$1,981.94		



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Additional contact information
conveniently located on reverse side

Kel

ACCOUNT SUMMARY

Account Number: [REDACTED]	
Previous Balance	\$3,630.19
Payment, Credits	-\$4,060.14
Purchases	+\$3,847.32
New Balance	\$3,417.37
Opening/Closing Date 10/27/10 - 11/26/10	
Total Credit Line	\$15,000
Available Credit	\$11,582
Cash Access Line	\$3,000
Available for Cash	\$3,000

PAYMENT INFORMATION

New Balance	\$3,417.37
Payment Due Date	12/18/10
Minimum Payment Due	\$68.00

Late Payment Warning: If we do not receive your minimum payment by the due date, you may have to pay up to a \$39 late fee.

Minimum Payment Warning: Enroll in Auto-Pay and avoid missing a payment. To enroll, call the number on the back of your card or go to the web site listed above.

ACCOUNT ACTIVITY

Date of Transaction	Merchant Name or Transaction Description	\$ Amount
10/26	NRECA ORG ARLINGTON VA <i>Director class credit - Earl</i>	-400.00
11/18	CRB US CHARTS CHICAGO IL	-29.95
10/26	KITES GRILLE AND BAR JUNC JUNCTION CITY KS	41.32
10/28	CACTUS CLUB NESS CITY KS	20.02
10/30	STAPLES 00106668 GARDEN CITY KS	58.43
11/06	AUTOZONE #1620 MCPHERSON KS	19.25
11/05	RINSE AND ROLL INC QPS 620-2412224 KS	8.00
11/06	A5 WESTERN LLC MCPHERSON KS	164.38
11/09	RT SPORTING GOODS GARDEN CITY KS	299.32
11/15	ONSTAR SUBSCRIPTION 888-4ONSTAR MI	18.95
11/18	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	74.97
11/18	CRB US CHARTS CHICAGO IL <i><Year worth on line charts></i>	347.00
11/19	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	35.50
11/21	CASEYS GNRL STRE 2854 SALINA KS	24.00
11/20	RINSE AND ROLL INC QPS 620-2412224 KS	8.00
11/24	PIZZA HUT #107 SCOTT CITY KS <i>Ton Board</i>	76.23
EARL N STEFFENS TRANSACTIONS THIS CYCLE (CARD 5232) \$765.40		
11/08	STAPLES DIRECT00209908 800-3333330 CA	130.85
VICTOR TORSON TRANSACTIONS THIS CYCLE (CARD 2897) \$130.85		
11/19	FAIRFIELD INN HAYS KS	89.70
DOW MORRIS TRANSACTIONS THIS CYCLE (CARD 2076) \$89.70		
11/12	WESTLAKE HARDWARE GARDEN CITY KS	153.01
11/12	WAL-MART #0652 GARDEN CITY KS	7.59
11/16	SAMS INTERNET 888-746-7726 AR	352.60
KATHERINE E LEWIS TRANSACTIONS THIS CYCLE (CARD 7616) \$513.20		
11/12	KANSAS BLUE PRINT 74 316-2649344 KS	108.05
11/16	APPLEBEES #1004 SALINA KS	66.52
11/16	TEXAS ROADHOUSE #2177 TOPEKA KS	101.51
11/15	HOOTERS OF TOPEKA TOPEKA KS	80.00
11/16	HOOTERS OF TOPEKA TOPEKA KS	50.22
11/17	RED LOBSTER US00062091 TOPEKA KS	88.73

Kansas Corporation Commission
Information Request

Request No: 4

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 12-MKEE-410-RTS
Request Date January 13, 2012
Date Information Needed January 24, 2012

RE: Cost Allocation Manuals

Please Provide the Following:

1. The Accounting Cost Allocation manual that supports Applicant's rate filing.
 2. Provide any addendums subsequent to the test year.

Submitted By Laura Bowman

Submitted To Lane Scott

Response:

Expenses allocated to MKEC division:

Software & Billing	42 – 45%
Utilities	20 – 22%
Phone	40%
Mtg & Travel	50%
Postage	43%
KEC	50%

For any expenses that are not listed, we are able to determine which division they need to be charged to (native or MKEC) and charge them directly to that division

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Laura Bowman

Date: August 29 2012

**Kansas Corporation Commission
Information Request**

Request No: **42**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 12-MKEE-410-RTS
Request Date January 13, 2012
Date Information Needed January 24, 2012

RE: Donations/ Contributions

Please Provide the Following:

Please provide a listing of all donations/contributions made by the Applicant during the test year including the amount paid or accrued, date paid or accrued, payee, account charged, and a description of the donation/contribution.

Submitted By Laura Bowman

Submitted To Lane Scott

Response:

Date	Payee	Amount	Acct Charged	Description
1/31/2010	Ness County Public Library Foundation	\$ 25.00	426.1	Old Settler's Reunion
5/11/2010	Marty Klitzke	\$ 60.00	426.1	Cancer Benefit
7/31/2010	Sacred Heart School	\$ 25.00	426.1	Youth Group
10/31/2010	KARL, Inc.	\$ 125.00	426.1	Kansas Agriculture & Rural
11/18/2010	Sacred Heart School	\$ 25.00	426.1	Youth Group

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: *Dow Morris*

Date: August 8, 2012

**Kansas Corporation Commission
Information Request**

Request No: 45

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 12-MKEE-410-RTS
Request Date January 13, 2012
Date Information Needed January 24, 2012

RE: Advertising

Please Provide the Following:

A listing of all advertising incurred by the Applicant during the test year to include; the date paid, amount, payee, brief description of the advertising, account and sub-account where the charges were recorded.

Submitted By Laura Bowman

Submitted To Lane Scott

Response:

Please see the attached Excel file "DR 45".

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Laura Bowman

Date: August 8, 2012

Date	Payee	Amount	Acct Charged	Description
1/25/2010	Yellow Book USA	\$ 1,482.00	930.1	Yellow Page Ad
1/31/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
2/16/2010	Gordon Strickert	\$ 50.00	930.1	Race Car Sponsorship
2/16/2010	Shannon Maughlin	\$ 150.00	930.1	Race Car Sponsorship
2/25/2010	Tumbleweed Chorus	\$ 22.50	930.1	Company Promotion
2/28/2010	Ness City After Prom	\$ 25.00	930.1	After Prom Donation
2/28/2010	Cody Zimmerman	\$ 75.00	930.1	Race Car Sponsorship
2/28/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
2/28/2010	High Plains Public Radio	\$ 2,173.60	930.1	Radio Spots-Company Promotion / Safety
2/28/2010	Pheasants Forever	\$ 125.00	930.1	Company Promotion
3/31/2010	Ness County News	\$ 17.50	930.1	Company Promotion
3/31/2010	S&T Communications	\$ 85.00	930.1	Company Promotion
3/31/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
3/31/2010	Ness County 4-H Council	\$ 160.00	930.1	County Fair Sponsorship
4/20/2010	Utica Kansas Parade	\$ 100.00	930.1	Company Promotion
4/30/2010	Golden Belt Telephone	\$ 1,480.10	930.1	Phone listing
4/30/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
5/11/2010	Ness County Fair/Amusement	\$ 2,500.00	930.1	Company Promotion
5/11/2010	Pioneer Communications	\$ 1,480.10	930.1	Phone listing
6/9/2010	KWKR	\$ 50.00	930.1	Radio Spots-Company Promotion / Safety
6/9/2010	Ness County News	\$ 12.50	930.1	Annual Meeting Notice
6/9/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
6/9/2010	Eagle Radio	\$ 50.00	930.1	Radio Spots-Company Promotion / Safety
6/25/2010	McCracken Rodeo	\$ 250.00	930.1	Rodeo Sponsor
6/30/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
6/30/2010	KBUF	\$ 25.00	930.1	Radio Spots-Company Promotion / Safety
7/16/2010	Rush County Fair	\$ 100.00	930.1	Company Promotion
7/31/2010	Post Rock	\$ 35.00	930.1	Company Promotion
7/31/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
8/16/2010	KCRE	\$ 100.00	930.1	Golf Tournament Sponsorship
8/24/2010	Central Publishing	\$ 495.00	930.1	Company Promotion
8/24/2010	Hutchinson News	\$ 50.00	930.1	Company Promotion
8/31/2010	Ness County News	\$ 97.50	930.1	Company Promotion
8/31/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots - Company Promotion/Safety
9/30/2010	Steckline Communications	\$ 75.00	930.1	Company Promotion
9/30/2010	Post Rock	\$ 150.00	930.1	Company Promotion
9/30/2010	KSKL Radio	\$ 250.00	930.1	Radio Spots-Company Promotion / Safety
10/31/2010	Post Rock	\$ 150.00	930.1	Company Promotion
11/24/2010	Ingstad Broadcasting	\$ 500.00	930.1	Radio Spots-Company Promotion / Safety
11/24/2010	J F Beaver	\$ 329.11	930.1	Hats
11/30/2010	Open Spaces Sports	\$ 37.50	930.1	Company Promotion
11/30/2010	Post Rock	\$ 150.00	930.1	Company Promotion
11/30/2010	Ness County News	\$ 5.00	930.1	Company Promotion
11/30/2010	Open Spaces Sports	\$ 204.89	930.1	Company Promotion
12/27/2010	Western Broadcasting Center	\$ 313.75	930.1	Radio Spots - Company Promotion/Safety
12/31/2010	Open Spaces Sports	\$ 150.00	930.1	Company Promotion / Safety
12/31/2010	Western Broadcasting Center	\$ 313.75	930.1	Radio Spots - Company Promotion/Safety
		\$ 15,819.80		

Kansas Corporation Commission
Information Request

Request No: 60

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 12-MKEE-410-RTS
Request Date January 13, 2012
Date Information Needed January 24, 2012

RE: Entertainment Expenses

Please Provide the Following:

1. Please provide a detailed listing of all golf / country club / entertainment expenses included in the test year to include amount(s), date(s), and related account(s).
2. Please provide a detailed listing of all sporting events (e.g. football, basketball, etc.) expenses included in the test year to include amount(s), date(s), and related account(s).

Submitted By Laura Bowman

Submitted To Lane Scott

Response:
There were no golf, country club, or entertainment expenses.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: *Laura Bowman*

Date: August 8, 2012

**Kansas Corporation Commission
Information Request**

Request No: 71

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 12-MKEE-410-RTS
Request Date September 7, 2012
Date Information Needed September 17, 2012

RE: Working Capital

Please Provide the Following:

Please provide a detailed explanation as to why the Plant Material & Supplies estimate for the Lane-Scott division is based on 75% of the total system, and why the Prepayments estimate is based on 47% of the total system for 165.1 and 7% of the total system for 165.11, as stated on schedule F-2. Additionally, please provide all supporting workpapers showing how those above percentages were derived.

Submitted By Tim Rehagen

Submitted To Doug Shepherd

The plant materials & supplies estimate for the Lane-Scott division is based on 15% rather than 75% (this was keyed incorrectly). It's based on 15% because that's roughly the percentage of materials that are ordered and used for the Lane-Scott division each year.
The prepayment of property insurance (165.1) is based on 47%. Now that I'm revisiting this, it would be more accurate if it were based on 21%, which is a 5 year average of Lane-Scott division plant to total plant.
The prepayment of work comp insurance (165.11) is based on 7% because that's roughly the total payroll dollars attributed to the Lane-Scott division each year.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Doug Morris

Signed: _____

Date: September 17, 2012

**Kansas Corporation Commission
Information Request**

Request No: 88

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 12-MKEE-410-RTS
Request Date September 20, 2012
Date Information Needed October 1, 2012

RE: Administrative and General Expenses

Please Provide the Following:

Please provide a line item detail for each of the following expenses. This detail should include the vendor, description, amount, FERC account, and date.

Account	Description	Amount
- 909.1	Consumer Newsletter Expense	\$10,520.94
- 920.0	A & G Expense	\$232,000.20
- 921.0	Office Supplies & Expense	\$12,827.60
- 923.0	Outside Services	\$22,632.75
- 925.2	Safety Accreditation Expense	\$107.50
- 925.3	Employee Education & Training	\$3,603.11
- 930.21	Directors Fees & Expenses	\$55,359.74
- 932.22	Dues to Assoc Organizations	\$18,453.95
- 930.23	Jr Board of Directors Expenses	\$3,470.01
- 930.3	Misc General Expenses	\$5,756.43
- 930.32	Misc General Ex-Meeting Expenses	\$37,586.34
- 930.4	Misc General Exp-Annual Meeting	\$7,606.53

Submitted By Tim Rehagan

Submitted To Doug Shepherd

Please see the attached file "DR 88.xlsx".

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Doug Morris

Date: October 1, 2012

DR 88-930.21

Date	Reference	Amount	Name	AP Check
1/13/2010	BOARD MTG	\$ 156.50	JENNISON, RICHARD	30980
1/13/2010	BOARD MTG	\$ 153.25	ED GOUGH	30967
1/13/2010	BOARD MTG	\$ 171.50	RICHARD SOREM	30971
1/13/2010	BOARD MTG	\$ 162.50	CRAIG RAMSEY	30974
1/13/2010	BOARD MTG	\$ 167.50	ERIC DOLL	30950
1/13/2010	BOARD MTG	\$ 166.50	B E WILKENS	30951
1/13/2010	BOARD MTG	\$ 154.50	RAD ROEHL	30963
1/13/2010	BOARD MTG	\$ 165.00	HAROLD HOSS	30955
1/13/2010	BOARD MTG	\$ 166.50	PAUL SEIB JR	30957
1/13/2010	BOARD MTG	\$ 156.50	RICHARD JENNISON	30975
1/18/2010	*VOIDED* CHECK# 30980	\$ (156.50)	RICHARD JENNISON	30980
1/31/2010	ANNUAL MTG ENTERTAINMENT	\$ 35.00	NRECA	31060
1/31/2010	BOARD MTG	\$ 153.25	GOUGH, ED	31094
1/31/2010	BOARD MTG	\$ 167.50	DOLL, ERIC	31050
1/31/2010	BOARD MTG	\$ 166.50	WILKENS, B E	31051
1/31/2010	MTG EXP	\$ 1,283.01	SOREM, RICHARD	31107
1/31/2010	MTG EXP	\$ 1,269.13	RAMSEY, CRAIG	31114
1/31/2010	MTG EXP	\$ 1,178.27	ROEHL, RAD	31083
1/31/2010	MTG EXP	\$ 1,301.89	HOSS, HAROLD	31056
1/31/2010	MTG EXP	\$ 1,265.39	SEIB JR, PAUL	31061
1/31/2010	MTG EXP	\$ 1,358.84	JENNISON, RICHARD	31062
2/22/2010	*VOIDED* CHECK# 29754	\$ (37.47)	FRIGID CREME	29754
2/28/2010	CASH RECEIPTS	\$ (35.00)		0
2/28/2010	MEETING EXP	\$ 153.25	GOUGH, ED	31218
2/28/2010	MEETING EXP	\$ 334.00	SOREM, RICHARD	31232
2/28/2010	MEETING EXP	\$ 1,973.13	RAMSEY, CRAIG	31243
2/28/2010	MEETING EXP	\$ 342.50	DOLL, ERIC	31175
2/28/2010	MEETING EXP	\$ 2,319.85	WILKENS, B E	31176
2/28/2010	MEETING EXP	\$ 2,341.19	ROEHL, RAD	31209
2/28/2010	MEETING EXP	\$ 150.00	ROEHL, RAD	31209
2/28/2010	MEETING EXP	\$ 1,272.52	HOSS, HAROLD	31180
2/28/2010	MEETING EXP	\$ 1,453.29	SEIB JR, PAUL	31184
2/28/2010	MEETING EXP	\$ 1,451.47	JENNISON, RICHARD	31185
3/25/2010	KEC ANNUAL MTG	\$ 1,804.50	KANSAS ELECTRIC COOPERATIVES	31264
3/31/2010	BOARD MTG	\$ 166.50	WILKENS, B E	31305
3/31/2010	MAR INV	\$ 162.50	RAMSEY, CRAIG	31367
3/31/2010	MTG EXP	\$ 153.25	GOUGH, ED	31351
3/31/2010	MTG EXP	\$ 171.50	SOREM, RICHARD	31361
3/31/2010	MTG EXP	\$ 154.50	ROEHL, RAD	31341
3/31/2010	MTG EXP	\$ 594.65	HOSS, HAROLD	31310
3/31/2010	MTG EXP	\$ 316.50	SEIB JR, PAUL	31316
3/31/2010	MTG EXP	\$ 156.50	JENNISON, RICHARD	31317
5/11/2010	BOARD MTG	\$ 153.25	ED GOUGH	31495
5/11/2010	BOARD MTG	\$ 171.50	RICHARD SOREM	31498
5/11/2010	BOARD MTG	\$ 162.50	CRAIG RAMSEY	31500

5/11/2010 BOARD MTG	\$	167.50	ERIC DOLL	31484
5/11/2010 BOARD MTG	\$	166.50	B E WILKENS	31485
5/11/2010 BOARD MTG	\$	154.50	RAD ROEHL	31492
5/11/2010 BOARD MTG	\$	156.50	RICHARD JENNISON	31489
5/11/2010 MTG EXP	\$	642.13	HAROLD HOSS	31486
5/11/2010 MTG EXP	\$	1,650.69	PAUL SEIB JR	31488
6/16/2010 MTG EXP	\$	167.50	ERIC DOLL	31639
6/16/2010 MTG EXP	\$	153.25	ED GOUGH	31653
6/16/2010 MTG EXP	\$	171.50	RICHARD SOREM	31657
6/16/2010 MTG EXP	\$	152.50	CRAIG RAMSEY	31658
6/16/2010 MTG EXP	\$	166.50	B E WILKENS	31640
6/16/2010 MTG EXP	\$	154.50	RAD ROEHL	31649
6/16/2010 MTG EXP	\$	165.00	HAROLD HOSS	31643
6/16/2010 MTG EXP	\$	932.69	PAUL SEIB JR	31645
6/16/2010 MTG EXP	\$	156.50	RICHARD JENNISON	31646
7/16/2010 MTG EXP	\$	153.25	ED GOUGH	31785
7/16/2010 MTG EXP	\$	171.50	RICHARD SOREM	31788
7/16/2010 MTG EXP	\$	162.50	CRAIG RAMSEY	31790
7/16/2010 MTG EXP	\$	166.50	B E WILKENS	31771
7/16/2010 MTG EXP	\$	154.50	RAD ROEHL	31782
7/16/2010 MTG EXP	\$	165.00	HAROLD HOSS	31774
7/16/2010 MTG EXP	\$	316.50	PAUL SEIB JR	31776
7/16/2010 MTG EXP	\$	156.50	RICHARD JENNISON	31777
7/31/2010 JUL INV	\$	2,402.50	CARDMEMBER SERVICE	31886
8/16/2010 MTG EXP	\$	153.25	ED GOUGH	31916
8/16/2010 MTG EXP	\$	171.50	RICHARD SOREM	31920
8/16/2010 MTG EXP	\$	1,140.43	CRAIG RAMSEY	31921
8/16/2010 MTG EXP	\$	335.00	ERIC DOLL	31902
8/16/2010 MTG EXP	\$	166.50	B E WILKENS	31903
8/16/2010 MTG EXP	\$	154.50	RAD ROEHL	31911
8/16/2010 MTG EXP	\$	1,125.62	HAROLD HOSS	31906
8/16/2010 MTG EXP	\$	1,052.25	PAUL SEIB JR	31907
8/16/2010 MTG EXP	\$	1,152.59	RICHARD JENNISON	31908
8/24/2010 KEC MTG	\$	677.50	KANSAS ELECTRIC COOPERATIVES	31929
8/31/2010 MTG EXP	\$	153.25	GOUGH, ED	32014
8/31/2010 MTG EXP	\$	171.50	SOREM, RICHARD	32027
8/31/2010 MTG EXP	\$	162.50	RAMSEY, CRAIG	32034
8/31/2010 MTG EXP	\$	168.15	WILKENS, B E	31974
8/31/2010 MTG EXP	\$	154.50	ROEHL, RAD	32005
8/31/2010 MTG EXP	\$	659.50	SEIB JR, PAUL	31983
8/31/2010 MTG EXP	\$	156.50	JENNISON, RICHARD	31984
9/30/2010 ANNUAL RENEWALS	\$	225.00	ACRE	32145
9/30/2010 ANNUAL RENEWALS	\$	187.50	KCRE	32146
9/30/2010 MTG EXP	\$	53.25	GOUGH, ED	32123
9/30/2010 MTG EXP	\$	146.50	SOREM, RICHARD	32134
9/30/2010 MTG EXP	\$	100.00	RAMSEY, CRAIG	32144
9/30/2010 MTG EXP	\$	142.50	DOLL, ERIC	32081

9/30/2010 MTG EXP	\$ 141.50	WILKENS, B E	32082
9/30/2010 MTG EXP	\$ 54.50	ROEHL, RAD	32114
9/30/2010 MTG EXP	\$ 618.30	HOSS, HAROLD	32085
9/30/2010 MTG EXP	\$ 291.50	SEIB JR, PAUL	32090
9/30/2010 MTG EXP	\$ 131.50	JENNISON, RICHARD	32091
9/30/2010 SEPT INV	\$ 485.00	CARDMEMBER SERVICE	32135
10/31/2010 MTG EXP	\$ 1,015.54	GOUGH, ED	32267
10/31/2010 MTG EXP	\$ 171.50	SOREM, RICHARD	32279
10/31/2010 MTG EXP	\$ 162.50	RAMSEY, CRAIG	32289
10/31/2010 MTG EXP	\$ 167.50	DOLL, ERIC	32219
10/31/2010 MTG EXP	\$ 166.50	WILKENS, B E	32220
10/31/2010 MTG EXP	\$ 154.50	ROEHL, RAD	32255
10/31/2010 MTG EXP	\$ 1,148.68	HOSS, HAROLD	32224
10/31/2010 MTG EXP	\$ 1,352.96	SEIB JR, PAUL	32233
10/31/2010 MTG EXP	\$ 1,312.30	JENNISON, RICHARD	32234
11/30/2010 DONATION	\$ 1,329.50	EASE ORGANIZATION	32355
11/30/2010 MTG EXP	\$ 309.75	GOUGH, ED	32405
11/30/2010 MTG EXP	\$ 364.50	SOREM, RICHARD	32417
11/30/2010 MTG EXP	\$ 337.50	RAMSEY, CRAIG	32423
11/30/2010 MTG EXP	\$ 377.50	DOLL, ERIC	32357
11/30/2010 MTG EXP	\$ 349.50	WILKENS, B E	32359
11/30/2010 MTG EXP	\$ 300.00	ROEHL, RAD	32393
11/30/2010 MTG EXP	\$ 525.00	HOSS, HAROLD	32363
11/30/2010 MTG EXP	\$ 677.50	SEIB JR, PAUL	32368
11/30/2010 MTG EXP	\$ 319.50	JENNISON, RICHARD	32369
11/30/2010 NOV INV	\$ (200.00)	CARDMEMBER SERVICE	32418
12/31/2010 MTG EXP	\$ 150.00	SEIB JR, PAUL	32498
	\$ 55,359.74		

DR 88-930.22

Date	Reference	Amount	Name	AP Check
1/13/2010	DUES/KCL SPREAD	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	30956
1/31/2010	ANNUAL DUES	\$ 75.00	KANSAS LIVESTOCK ASSOCIATION	31082
1/31/2010	JAN INV	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31057
2/16/2010	RMEL ANNUAL DUES	\$ 100.00	RMEL	31119
2/16/2010	TOUCHSTONE DUES	\$ 135.95	KANSAS ELECTRIC COOPERATIVES	31125
2/28/2010	DUES	\$ 75.00	KANSAS COOPERATIVE COUNCIL	31222
2/28/2010	DUES/KCL	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31181
3/25/2010	2010 DUES	\$ 37.50	KANSAS REC MANAGERS ASSOCIATIO	31273
3/31/2010	DUES/KCL NEWSLETTER	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31312
5/11/2010	DUES/KCL NEWSLETTER	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31487
5/31/2010	XAP Invoice	\$ 1,263.00		0
6/9/2010	MAY INV	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31579
6/9/2010	Reversal For 20217	\$ (1,263.00)		0
7/16/2010	KCL/DUES	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31775
7/31/2010	DUES/KCL	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31841
8/31/2010	KCL NEWSLETTER/DUES	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	31979
9/30/2010	SEPT INV	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	32087
10/31/2010	DUES	\$ 2,824.50	NRECA	32232
10/31/2010	DUES/KCL NEWSLETTER	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	32228
11/30/2010	DONATION	\$ 50.00	KANSAS ASSN OF WHEAT GROWERS	32373
11/30/2010	DUES/NEWSLETTER	\$ 1,263.00	KANSAS ELECTRIC COOPERATIVES	32365
		\$ 18,453.95		

DR 88-930.23

Date	Reference	Amount	Name	AP Check
1/31/2010	CASH RECEIPTS	\$ (94.80)		0
2/16/2010	YOUTH TOUR DEPOSIT	\$ 1,000.00	KANSAS ELECTRIC COOPERATIVES	31125
6/30/2010	YOUTH TOUR	\$ 142.50	MORRIS, DOW	31691
7/31/2010	JR BOARD PLAQUES	\$ 59.41	RT SPORTING GOODS INC	31812
10/26/2010	YOUTH TOURS	\$ 1,874.37	KANSAS ELECTRIC COOPERATIVES	32163
11/30/2010	MILEAGE EXP	\$ 19.50	CAMPBELL, REBECCA	32331
11/30/2010	NOV INV	\$ 38.11	CARDMEMBER SERVICE	32418
12/27/2010	DEC INV	\$ 83.16	KANSAS ELECTRIC COOPERATIVES	32453
12/31/2010	YOUTH TOUR	\$ 347.76	KANSAS ELECTRIC COOPERATIVES	32495
		\$ 3,470.01		

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Date	Reference	Amount	Name	AP Check
1/31/2010	CASH RECEIPTS	\$ (487.19)		0
1/31/2010	JAN INV	\$ 513.66	CARDMEMBER SERVICE	31108
1/31/2010	LD LABOR TRANS	\$ 3,496.22		0
1/31/2010	MTG EXP	\$ 17.50	STEFFENS, EARL	31103
1/31/2010	MTG EXP	\$ 200.00	MORRIS, DOW	31054
2/28/2010	FEB INV	\$ 743.38	CARDMEMBER SERVICE	31233
2/28/2010	LD LABOR TRANS	\$ 2,410.87		0
2/28/2010	MEETING EXP	\$ 200.25	MORRIS, DOW	31179
3/31/2010	CASH RECEIPTS	\$ (717.64)		0
3/31/2010	LD LABOR TRANS	\$ 2,138.28		0
3/31/2010	MAR INV	\$ 859.48	CARDMEMBER SERVICE	31362
3/31/2010	MTG EXP	\$ 110.00	VENTERS, BOB	31280
3/31/2010	MTG EXP	\$ 183.75	MORRIS, DOW	31308
4/16/2010	KMSDA WORKSHOP	\$ 75.00	KANSAS ELECTRIC COOPERATIVES	31375
4/30/2010	APR INV	\$ 499.01	CARDMEMBER SERVICE	31476
4/30/2010	CASH RECEIPTS	\$ (300.00)		0
4/30/2010	LD LABOR TRANS	\$ 146.44		0
4/30/2010	MTG EXP	\$ 50.00	MORRIS, DOW	31434
5/25/2010	MTG EXP	\$ 37.50	BOB VENTERS	31532
5/31/2010	LD LABOR TRANS	\$ 4,417.62		0
5/31/2010	MEETING EXP	\$ 133.57	STEFFENS, EARL	31552
5/31/2010	XAP Invoice	\$ 1,515.99		0
6/9/2010	MAY INV	\$ 1,190.99	CARDMEMBER SERVICE	31625
6/9/2010	MEETING EXP	\$ 167.50	MORRIS, DOW	31577
6/9/2010	MEETING EXP	\$ 157.50	MORRIS, DOW	31577
6/9/2010	Reversal For 20217	\$ (1,515.99)		0
6/16/2010	NOMINATING MTG	\$ 66.00	KENNETH SCHLEGEL	31631
6/16/2010	NOMINATING MTG	\$ 65.00	GROVER WHIPPLE	31629
6/16/2010	NOMINATING MTG	\$ 65.00	JOHN BEATON	31630
6/16/2010	NOMINATING MTG	\$ 63.00	RANDY SCHEUERMAN	31632
6/16/2010	NOMINATING MTG	\$ 57.00	ROBERT SCHEIB	31633
6/16/2010	NOMINATING MTG	\$ 73.50	MARVIN BOHLING	31634
6/16/2010	NOMINATING MTG	\$ 50.00	LANE COPELAND	31635
6/16/2010	NOMINATING MTG	\$ 55.00	ALAN JAMES	31636
6/16/2010	NOMINATING MTG	\$ 57.25	JOE CRAMER	31637
6/22/2010	DEPOSIT/FEEES FOR MTG	\$ 300.00	ST. THERESA CHURCH	31666
6/22/2010	MTG EXP	\$ 105.00	KATHERINE E LEWIS	31673
6/30/2010	CASH RECEIPTS	\$ (410.00)		0
6/30/2010	JUN INV	\$ 327.93	CARDMEMBER SERVICE	31760
6/30/2010	LD LABOR TRANS	\$ 2,133.68		0
6/30/2010	MILEAGE TO MTG	\$ 27.50	LEWIS, KATHERINE E	31739
6/30/2010	MTG EXP	\$ 11.00	STEFFENS, EARL	31756
7/26/2010	MTG EXP	\$ 163.22	DOW MORRIS	31792
7/30/2010	CASH RECEIPTS	\$ (2,072.34)		0
7/31/2010	JUL INV	\$ 1,166.81	CARDMEMBER SERVICE	31886

7/31/2010 LD LABOR TRANS	\$ 951.73		0
7/31/2010 MEETING EXP	\$ 213.75	MORRIS, DOW	31840
7/31/2010 MTG EXP	\$ 38.89	STEFFENS, EARL	31879
8/24/2010 KEC MTG	\$ 362.50	KANSAS ELECTRIC COOPERATIVES	31929
8/24/2010 MTG EXP	\$ 47.00	BOB VENTERS	31927
8/31/2010 AUG INV	\$ 1,087.05	CARDMEMBER SERVICE	32028
8/31/2010 LD LABOR TRANS	\$ 3,690.29		0
8/31/2010 MTG EXP	\$ (39.39)	GOUGH, ED	32014
8/31/2010 MTG EXP	\$ (39.39)	SOREM, RICHARD	32027
8/31/2010 MTG EXP	\$ 165.00	HOSS, HAROLD	31977
9/27/2010 MTG EXPENSE	\$ 568.62	MORRIS, DOW	32051
9/30/2010 CASH RECEIPTS	\$ (339.39)		0
9/30/2010 LD LABOR TRANS	\$ 3,894.09		0
9/30/2010 SEPT INV	\$ 965.93	CARDMEMBER SERVICE	32135
10/26/2010 CLOTHING ALLOWANCE	\$ 171.25	MORRIS, DOW	32162
10/26/2010 MTG EXP	\$ 110.00	VENTERS, BOB	32161
10/26/2010 MTG EXP	\$ 114.50	MORRIS, DOW	32162
10/31/2010 CASH RECEIPTS	\$ (460.65)		0
10/31/2010 LD LABOR TRANS	\$ 3,756.79		0
10/31/2010 MTG EXP	\$ 50.00	STEFFENS, EARL	32275
10/31/2010 MTG EXP	\$ 129.75	MARSTELLER, JODI	32285
10/31/2010 OCT INV	\$ 1,473.94	CARDMEMBER SERVICE	32280
11/30/2010 LD LABOR TRANS	\$ 1,777.20		0
11/30/2010 MILEAGE EXP	\$ 50.00	MORRIS, DOW	32323
11/30/2010 MTG EXP	\$ 21.00	SHULL, DEANNE	32422
11/30/2010 NOV INV	\$ 157.70	CARDMEMBER SERVICE	32418
12/7/2010 *VOIDED* CHECK# 31666	\$ (300.00)	ST. THERESA CHURCH	31666
12/7/2010 HALL RENT FOR MEETING	\$ 75.00	ST. THERESA CHURCH	32341
12/27/2010 KEC DISTRICT MTG	\$ 49.59	THE VICTORY ELECTRIC COOP ASSN	32449
12/31/2010 CASH RECEIPTS	\$ (300.00)		0
12/31/2010 DEC INV	\$ 246.22	CARDMEMBER SERVICE	32533
12/31/2010 LD LABOR TRANS	\$ 349.13		0
	\$ 37,586.34		

DR 88-930.4

Date	Reference	Amount	Name	AP Check
4/30/2010	ANNUAL MTG GIFTS	\$ 1,994.38	J.F.BEAVER	31472
7/16/2010	ANNUAL MTG MEAL	\$ 2,441.07	STAN HOSS BBQ	31770
7/26/2010	TENT RENTAL	\$ 343.75	LANE COUNTY FAIR BOARD	31796
7/31/2010	ANNUAL MTG AD	\$ 140.00	EAGLE RADIO	31885
7/31/2010	ANNUAL REPORTS	\$ 2,224.43	KANSAS ELECTRIC COOPERATIVES	31841
7/31/2010	LD LABOR TRANS	\$ 462.90		0
		\$ 7,606.53		

**Kansas Corporation Commission
Information Request**

Request No: 142

Company Name	MID-KANSAS ELECTRIC COMPANY, LLC	MKEE
Docket Number	12-MKEE-410-RTS	
Request Date	October 30, 2012	
Date Information Needed	November 7, 2012	

RE: RUS Reports

Please Provide the Following:

Please provide all Rural Utility Service year-end operating and financial reports for Lane Scott for the last three years.
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Submitted By Laura Bowman

Submitted To Lane-Scott

<p>Please see files:</p>

<p>DR 142-2009.pdf</p>

<p>DR 142-2010.pdf</p>

<p>DR 142-2011.pdf</p>

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: *Laura Bowman*

Date: November 7, 2012

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KS0042
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2010

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	129	130	5. Miles Transmission		
2. Services Retired	42	179	6. Miles Distribution - Overhead	2,012.67	2,029.92
3. Total Services in Place	6,213	6,159	7. Miles Distribution - Underground	5.06	5.06
4. Idle Services (Exclude Seasonals)	624	501	8. Total Miles Energized (5 + 6 + 7)	2,017.73	2,034.98

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	33,211,955	30. Memberships	0
2. Construction Work in Progress	3,497,697	31. Patronage Capital	7,594,364
3. Total Utility Plant (1 + 2)	36,709,652	32. Operating Margins - Prior Years	(717,484)
4. Accum. Provision for Depreciation and Amort.	12,607,659	33. Operating Margins - Current Year	19,870
5. Net Utility Plant (3 - 4)	24,101,993	34. Non-Operating Margins	(490,294)
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	140,446
7. Investments in Subsidiary Companies	1,424,123	36. Total Margins & Equities (30 thru 35)	6,546,902
8. Invest. in Assoc. Org. - Patronage Capital	125,943	37. Long-Term Debt - RUS (Net)	9,026,572
9. Invest. in Assoc. Org. - Other - General Funds	374,811	38. Long-Term Debt - FFB - RUS Guaranteed	4,873,000
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	223,340	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	0
12. Other Investments	20,539	41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,382
13. Special Funds	0	42. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13)	2,168,756	43. Total Long-Term Debt (37 thru 41 - 42)	14,049,954
15. Cash - General Funds	590,601	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	91	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	25	46. Total Other Noncurrent Liabilities (44 + 45)	0
18. Temporary Investments	43,868	47. Notes Payable	8,515,069
19. Notes Receivable (Net)	0	48. Accounts Payable	864,706
20. Accounts Receivable - Sales of Energy (Net)	1,199,711	49. Consumers Deposits	124,967
21. Accounts Receivable - Other (Net)	2,198,192	50. Current Maturities Long-Term Debt	581,908
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	0
23. Materials and Supplies - Electric & Other	471,447	52. Current Maturities Capital Leases	0
24. Prepayments	0	53. Other Current and Accrued Liabilities	363,985
25. Other Current and Accrued Assets	2,760	54. Total Current & Accrued Liabilities (47 thru 53)	10,450,635
26. Total Current and Accrued Assets (15 thru 25)	4,506,695	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	0
28. Other Deferred Debits	270,047	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	31,047,491
29. Total Assets and Other Debits (5+14+26 thru 28)	31,047,491		

CERTIFICATE OF SERVICE

12-MKEE-410-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service this 30th day of November, 2012, to the following parties who have waived receipt of follow-up hard copies:

RAY BERGMEIER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
r.bergmeier@kcc.ks.gov

SAMUEL FEATHER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
s.feather@kcc.ks.gov

HOLLY FISHER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
h.fisher@kcc.ks.gov

RENEE K. BRAUN, CORPORATE PARALEGAL, SUPERVISOR
MID-KANSAS ELECTRIC COMPANY, LLC
301 WEST 13TH STREET
PO BOX 980
HAYS, KS 67601
rbraun@sunflower.net

DON GULLEY, VP, SENIOR MANAGER
REGULATORY RELATIONS AND BILLING
MID-KANSAS ELECTRIC COMPANY, LLC
301 WEST 13TH STREET
PO BOX 980
HAYS, KS 67601
dgulley@sunflower.net


L. DOW MORRIS, INTERIM GENERAL MANAGER
LANE-SCOTT ELECTRIC COOPERATIVE, INC.
PO BOX 758
DIGHTON, KS 67839-0758
dow.morris@lanescott.coop

MARK D. CALCARA, ATTORNEY
WATKINS CALCARA CHTD.
1321 MAIN STREET SUITE 300
PO DRAWER 1110
GREAT BEND, KS 67530
mcalcara@wcrf.com

LINDSAY SHEPARD, EXECUTIVE MANAGER CORPORATE COMPLIANCE &
ASSOCIATE GENERAL COUNSEL
SUNFLOWER ELECTRIC POWER CORPORATION
301 W. 13TH
PO BOX 1020 (67601-1020)
HAYS, KS 67601
lshepard@sunflower.net

GLENDA. CAFER, ATTORNEY
CAFER LAW OFFICE, L.L.C.
3321 SW 6TH STREET
TOPEKA, KS 66606
glenda@caferlaw.com

TERRI PEMBERTON, ATTORNEY
CAFER LAW OFFICE, L.L.C.
3321 SW 6TH STREET
TOPEKA, KS 66606
terri@caferlaw.com


Della Smith
Administrative Specialist